

Progress of “Inspire 2027” Management Plan

Hitachi, Ltd.

President & CEO

Toshiaki Tokunaga

April 27th, 2026

Executive Summary

HITACHI

- Lumada business expansion enabled both company-wide revenue growth and improved profitability, even in an uncertain business environment
- Rapidly expanding AI market serves as a tailwind, accelerating Hitachi's growth
- Enhancing corporate value through disciplined management based on capital allocation policy
- Accelerating sustainable management by advancing company-wide risk management, improving employee engagement, and strengthening governance

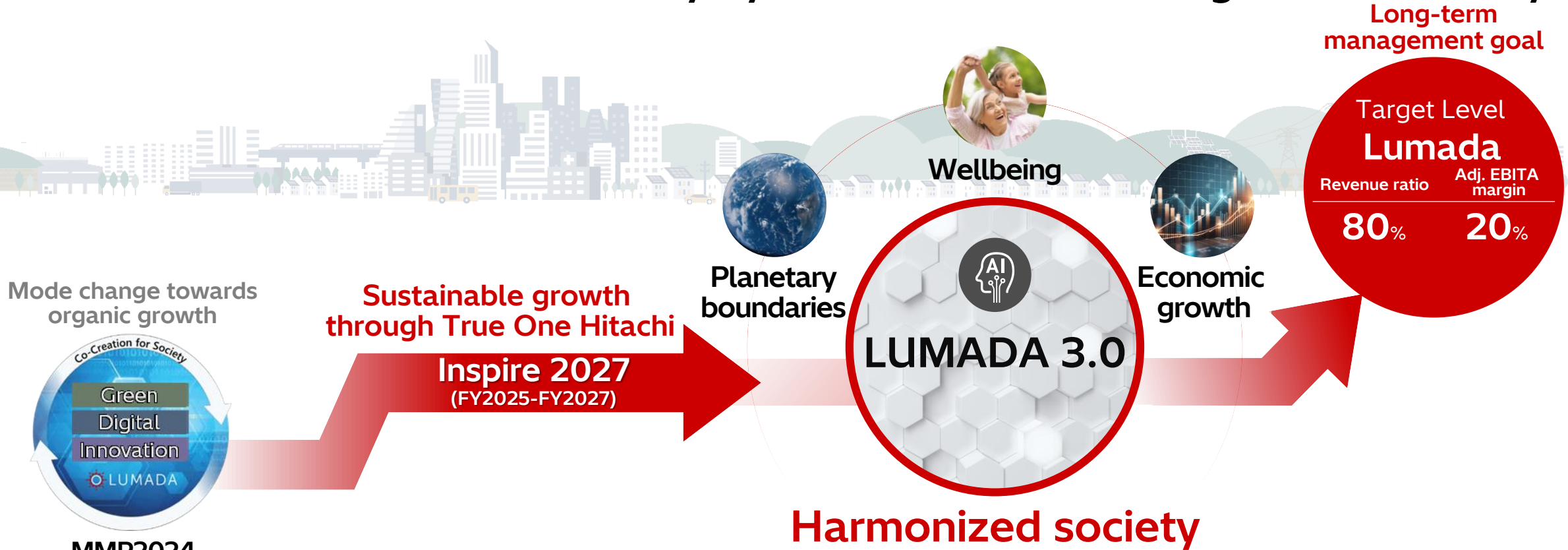
	Revenue	Adj. EBITA margin	CF conversion ^{*2}	ROIC	Lumada ^{*3}	
					Revenue ratio	Adj. EBITA margin
FY2025 results	YoY 8.2%	12.4%	103%	12.4%	40%	16%
Inspire 2027 targets	CAGR ^{*1} 7-9%	13-15%	Over 90%	12-13%	50%	18%

2 *1 FY2024 - FY2027 *2 Core FCF/Net Income (excluding special factors)

*3 Calculated based on revenue excluding certain business structural reform operations. Reflection of revenue consolidation offsets started from this period

Aspirations of Inspire 2027

Contribute to a harmonized society by True One Hitachi and grow sustainably



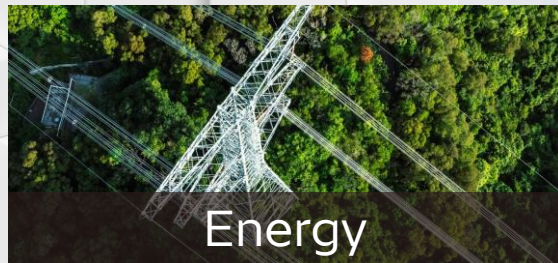
Inspire 2027 targets	Revenue	Adj. EBITA margin	CF conversion ^{*2}	ROIC	Lumada	
	CAGR ^{*1}				Revenue ratio	Adj. EBITA margin
	7-9%	13-15%	Over 90%	12-13%	50%	18%

To be a global leader
in continuously transforming social infrastructure through digital

Digital Services HMAX



LUMADA 3.0



Digitalized Assets

HMAX : a suite of next-generation solutions that brings the power of AI to social infrastructure (Recurring service)

Achieving Sustainable Growth

Achieved strong growth even in an uncertain business environment

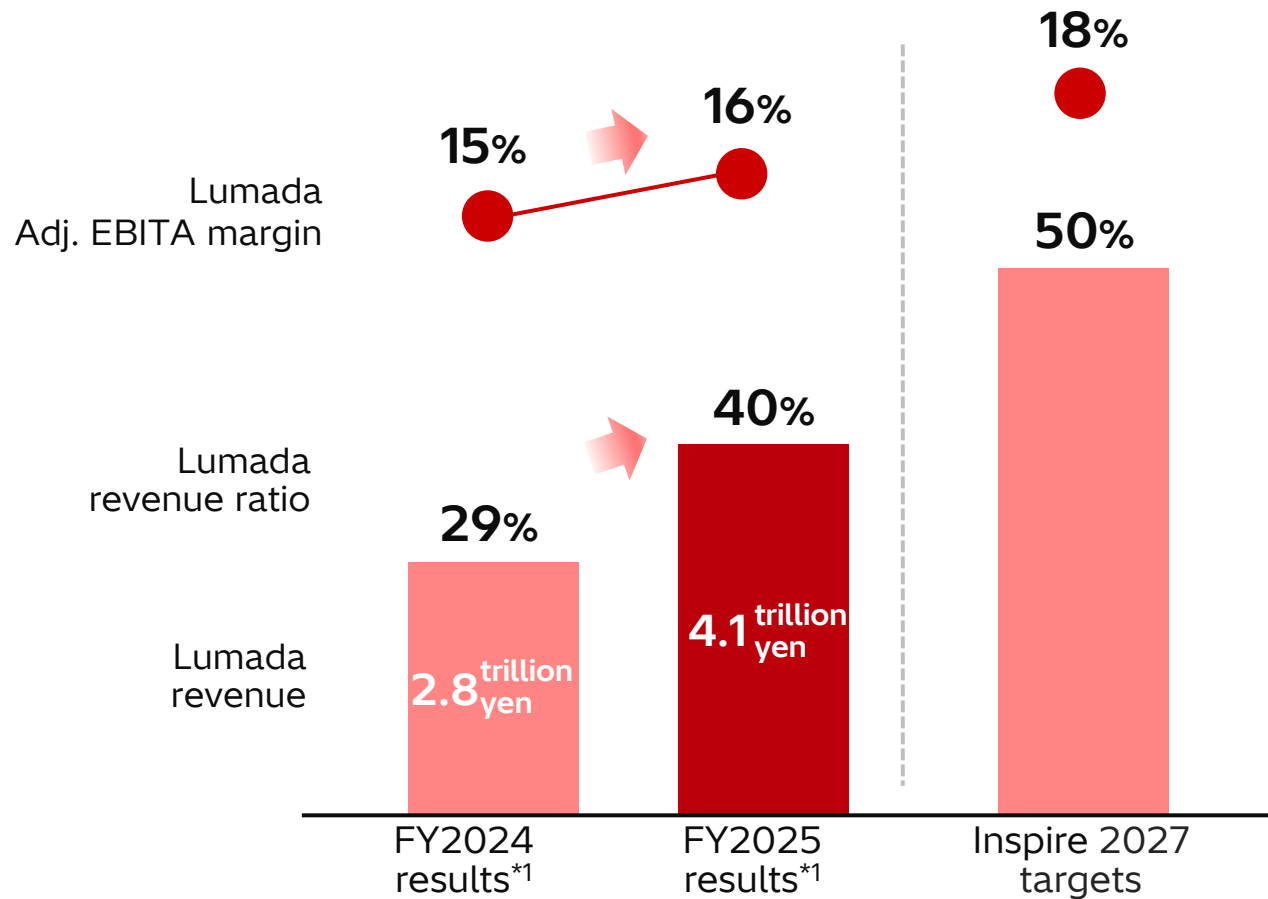
Promoted disciplined management based on capital allocation policy

	FY2024 results	FY2025 results		FY2025 results
Revenue	9.8 trillion yen	10.6 trillion yen	+8.2%	0.6 trillion yen
Adj. EBITA margin	11.1 %	12.4 %	+1.3pts	
ROIC	10.9 %	12.4 %	+1.5pts	
Core FCF	0.8 trillion yen	1.2 trillion yen	+0.4 trillion yen	0.3 trillion yen
Lumada revenue ratio*1	29 %	40 %	+11pts	
Lumada Adj. EBITA margin*1	15 %	16 %	+1pts	
Shareholder returns			Largest ever	
			<ul style="list-style-type: none"> Stable dividend growth and flexible share buybacks 	
Asset sales				
			<ul style="list-style-type: none"> Sale of shares in construction machinery, air conditioning, and automotive parts*2 businesses Structure reform of home appliance and ATM businesses*2 	
Growth investments				0.2 trillion yen
			<ul style="list-style-type: none"> Expanded energy service business in North America (Shermco) Strengthened AI development capabilities to expand HMAX (synvert) 	

7 *1 Calculated based on revenue excluding certain business structural reform operations. Reflection of revenue consolidation offsets started from this period
 *2 Share transfer in FY2026

Achieved strong growth in Lumada business that leads company profitability Recurring digital service HMAX is now fully operational

Lumada revenue ratio and profit margin



HMAX

FY2025 results

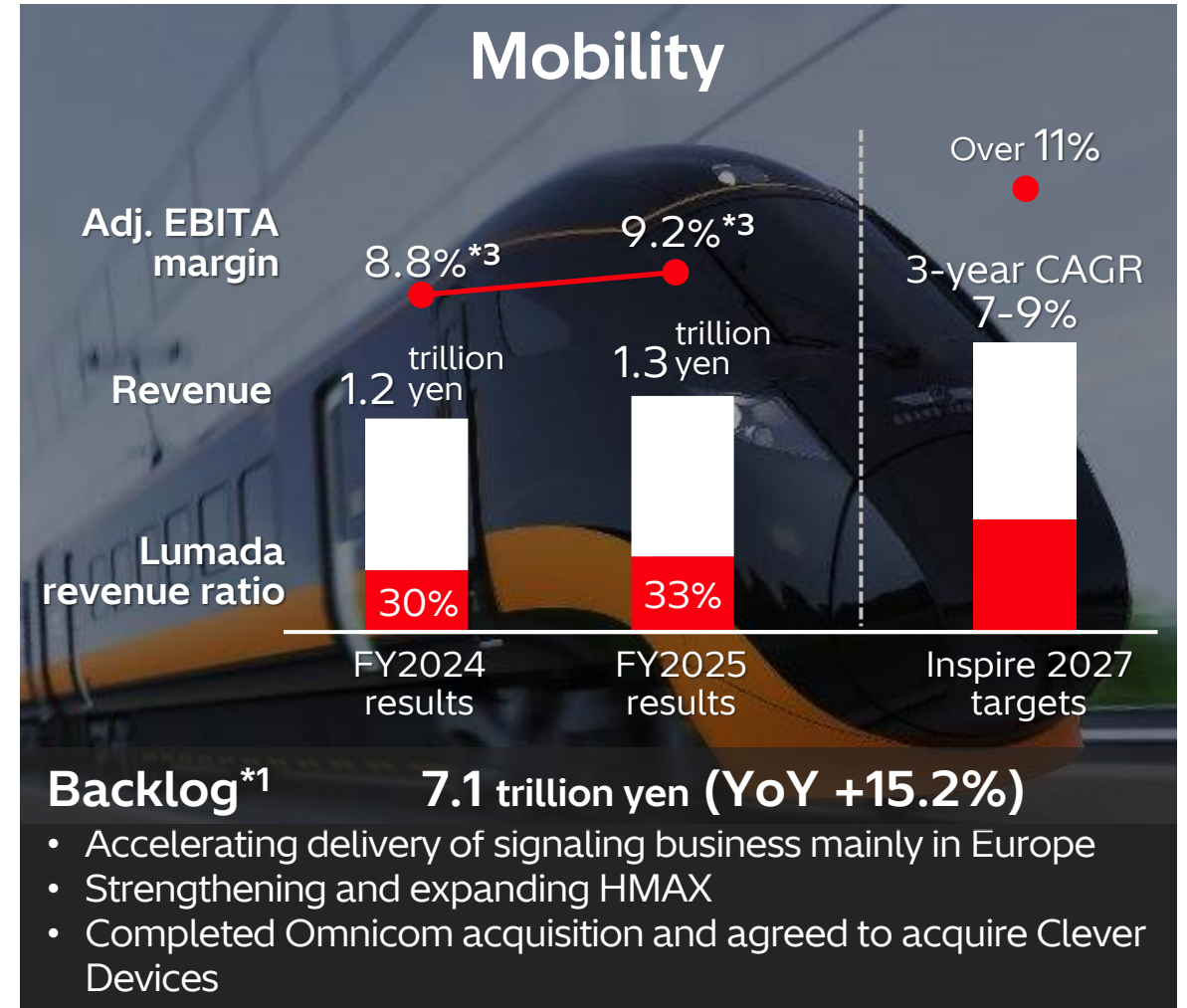
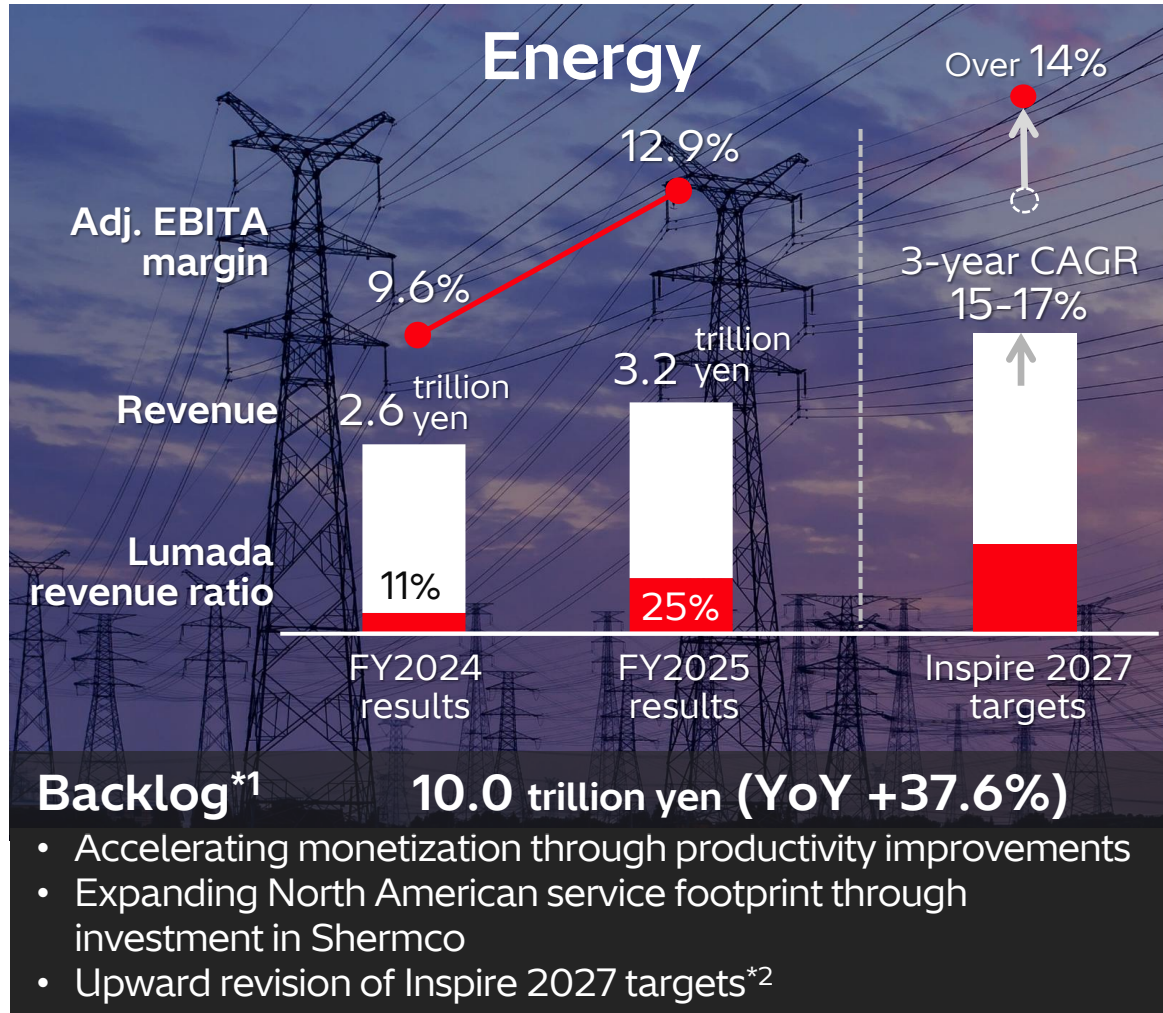
Revenue **300** billion yen Adj. EBITA margin **Over 20%**

HMAX Energy
Reduce incident response time for power transmission and distribution facilities by **90%**

HMAX Mobility
Reduce maintenance costs and energy consumption by up to **15%**

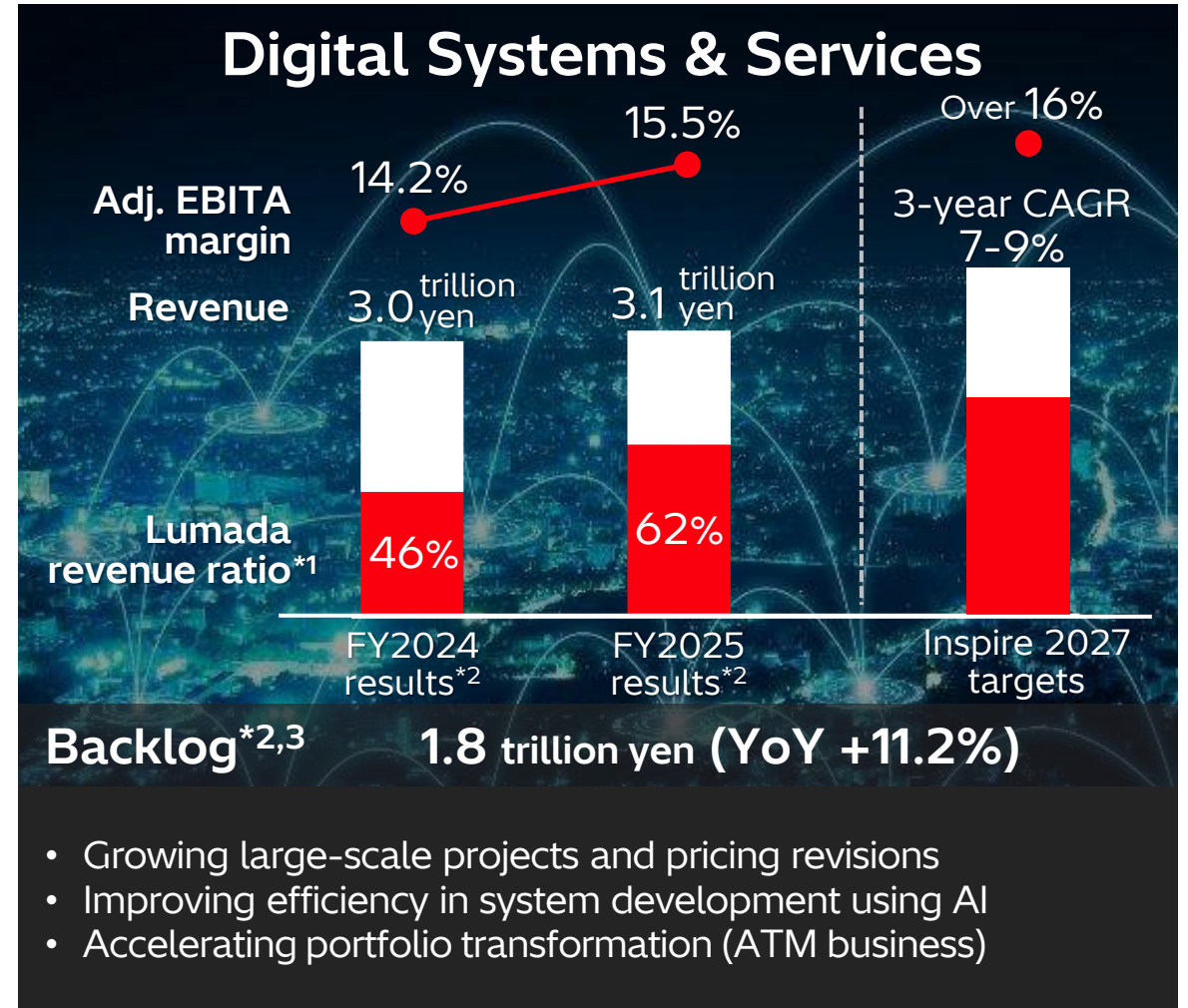
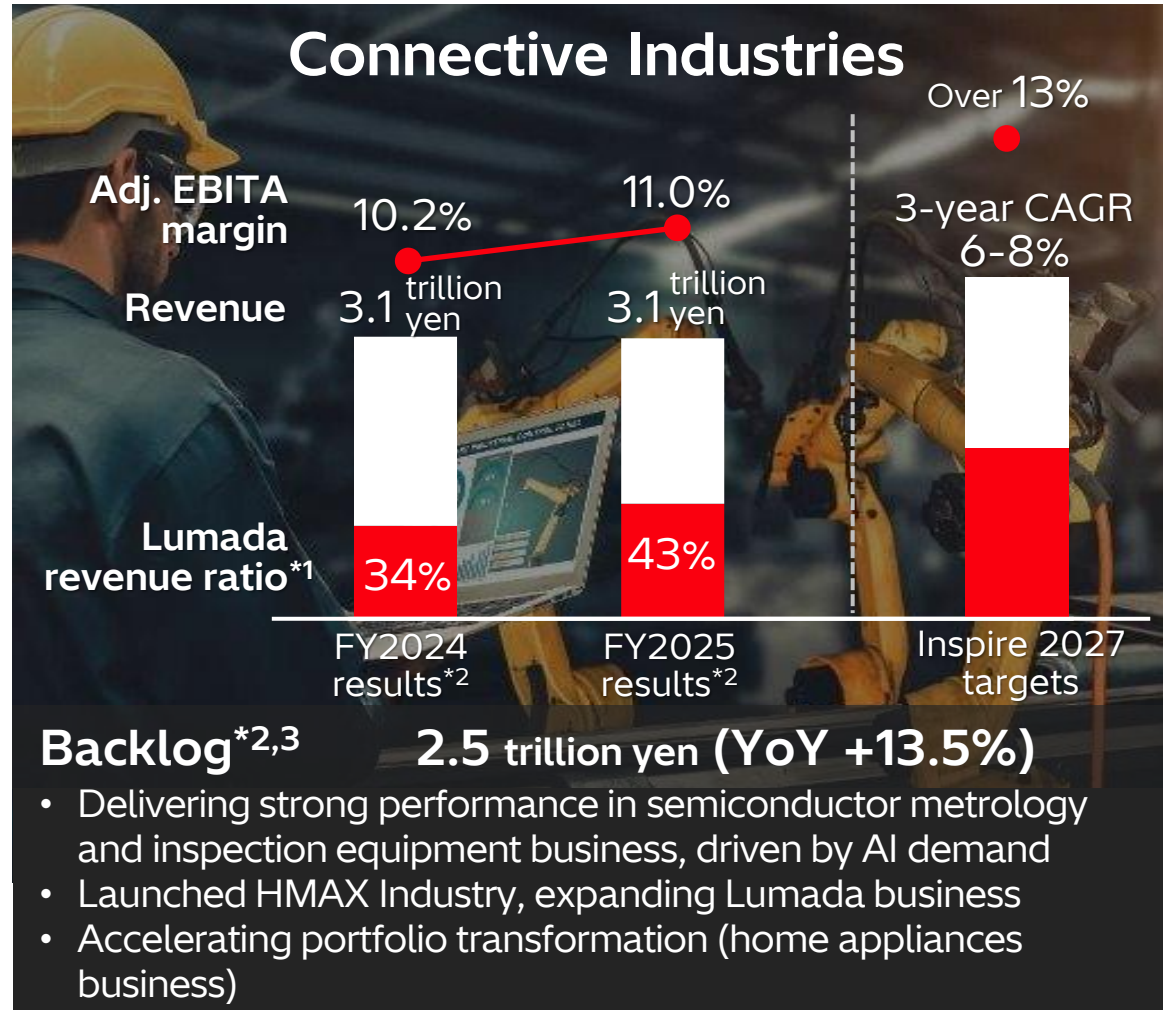
HMAX Industry
Ensure the safety of **30,000** elevator maintenance technicians and improve productivity by **2,000** hours/month

Accelerated growth by expanding backlog and improved profitability



9 *1 As of the end of March 2026 *2 Targets announced in April 2025 were 3-year revenue CAGR of 11-13% and Adj. EBITA margin of over 12%
 *3 Excluding acquisition and integration related costs

Built a foundation for sustainable growth by accelerating portfolio transformation and expanding Lumada business



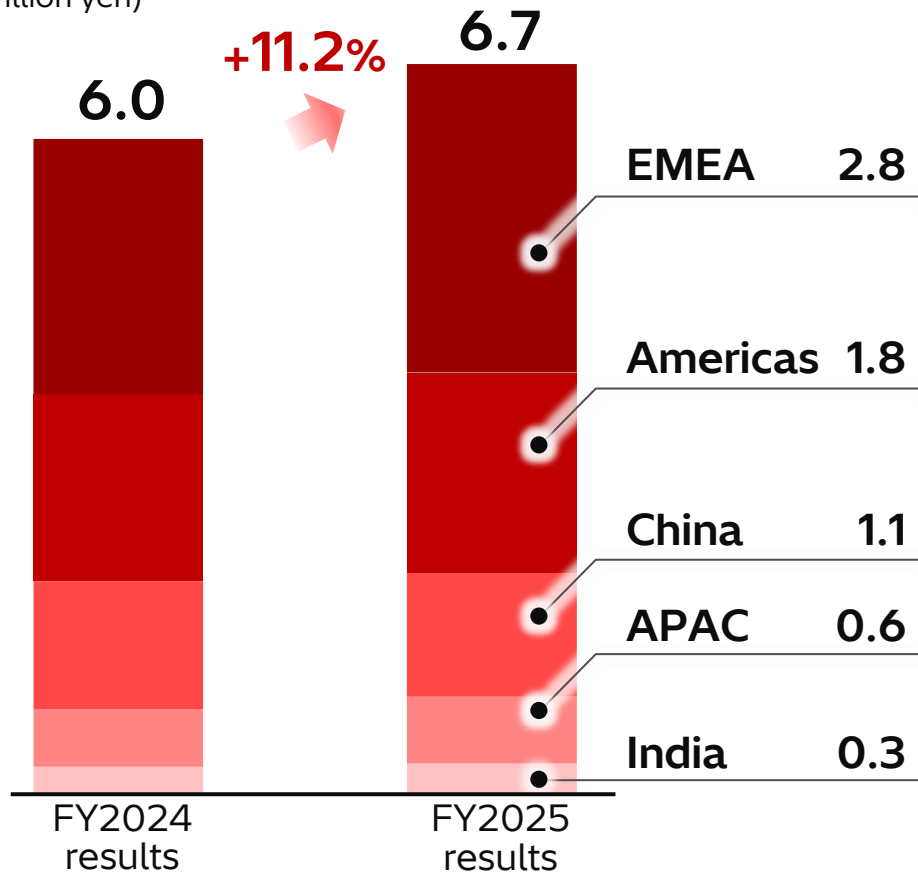
10 *1 Calculated based on revenue excluding certain business structural reform operations
 *3 As of the end of March 2026

*2 Based on the new reporting segment structure

Each region independently explored business opportunities and achieved strong growth

Overseas revenue (excluding Japan)

(trillion yen)



Expansion of region-specific business opportunities

- Securing large-scale social innovation projects

Eastern Green Link3 project HVDC^{*1} converter station
 Total amount of client's project: Approximately 630 billion yen

Deutsche Bahn AG Digital framework agreement
 Total order received: Approximately 280 billion yen

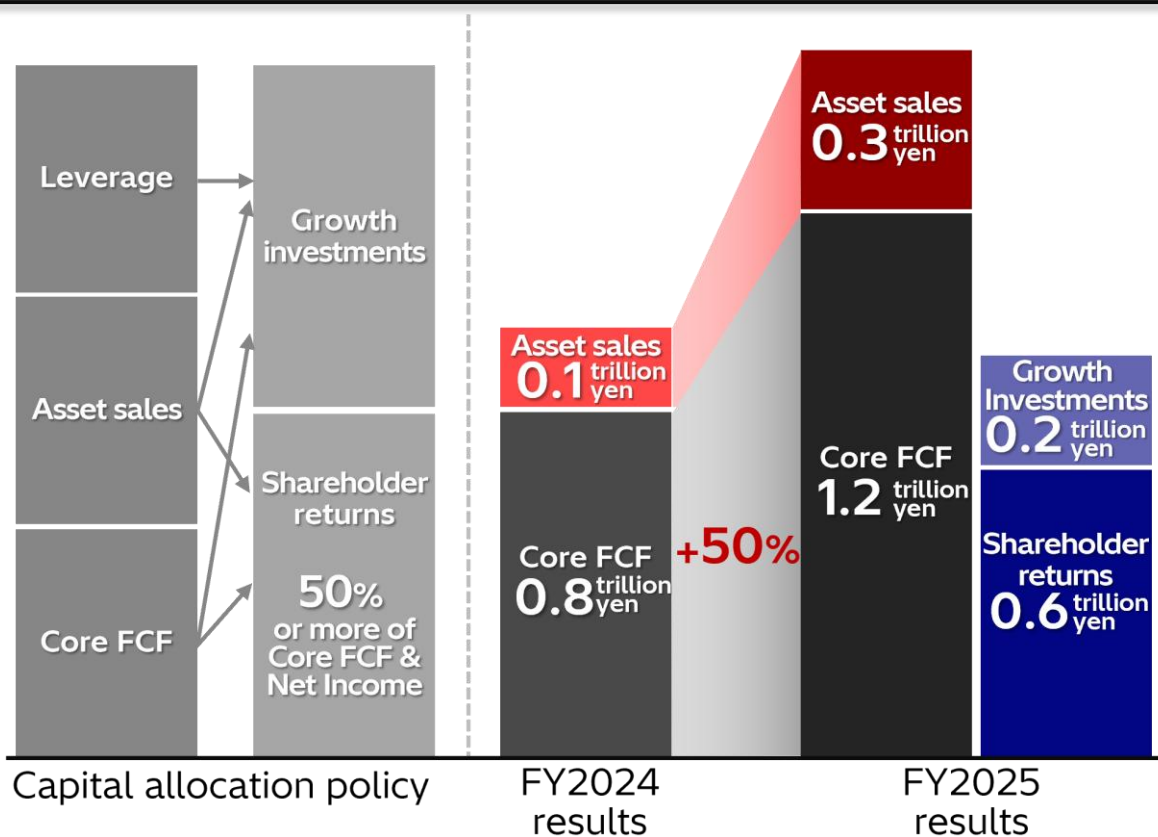
- Exploring new business opportunities

Natural gas generation project for AI-DC^{*2}:
 Transmission and distribution equipment

Battery lifecycle solutions for electric vehicles

Core free cash flow increased by 50% year-on-year Continue flexible shareholder returns based on capital allocation policy

Capital allocation and cash flow generation

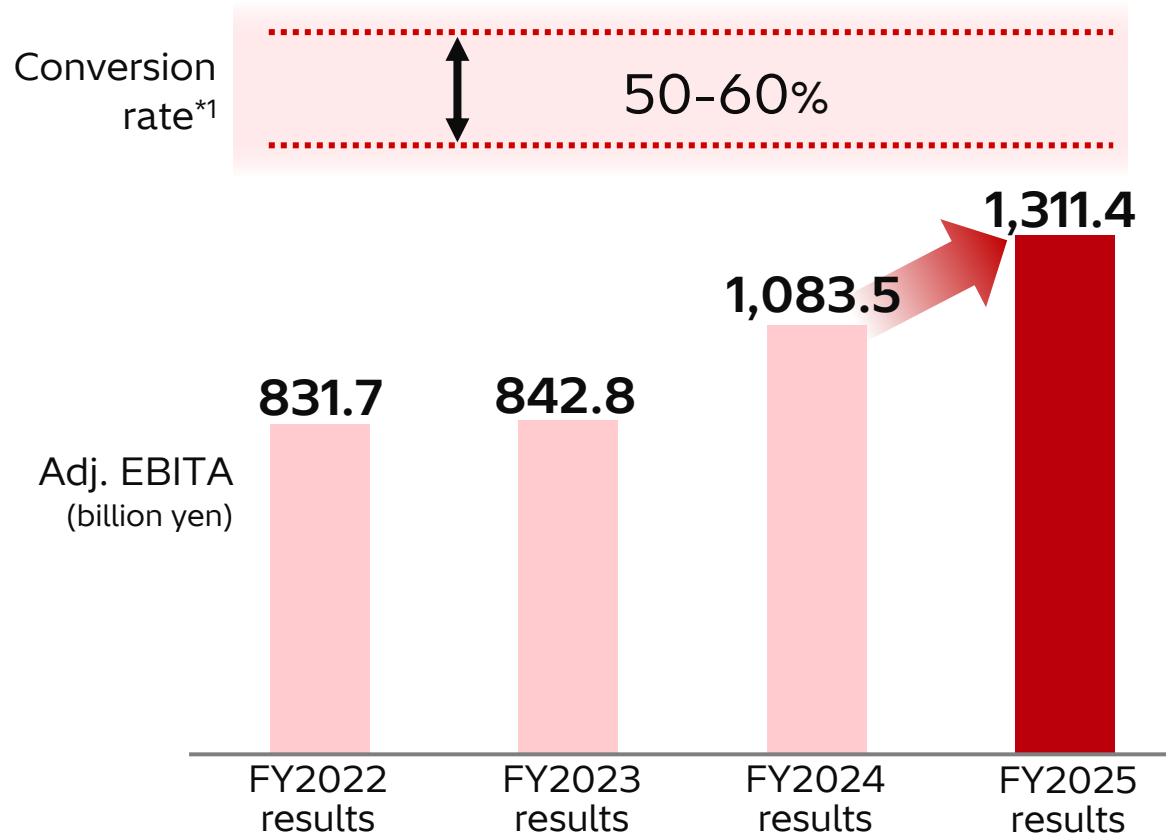


- Core FCF** **1.2 trillion yen**
 Achieved 50% YoY increase through profit growth and increase in advanced payments
- Asset sales** **0.3 trillion yen**
 Sale of shares in construction machinery, air conditioning, and automotive parts*1 businesses
- Growth investments** **0.2 trillion yen**
 Shermco and synvert
- Shareholder returns** **0.6 trillion yen**
 Executed additional share buybacks based on capital allocation policy

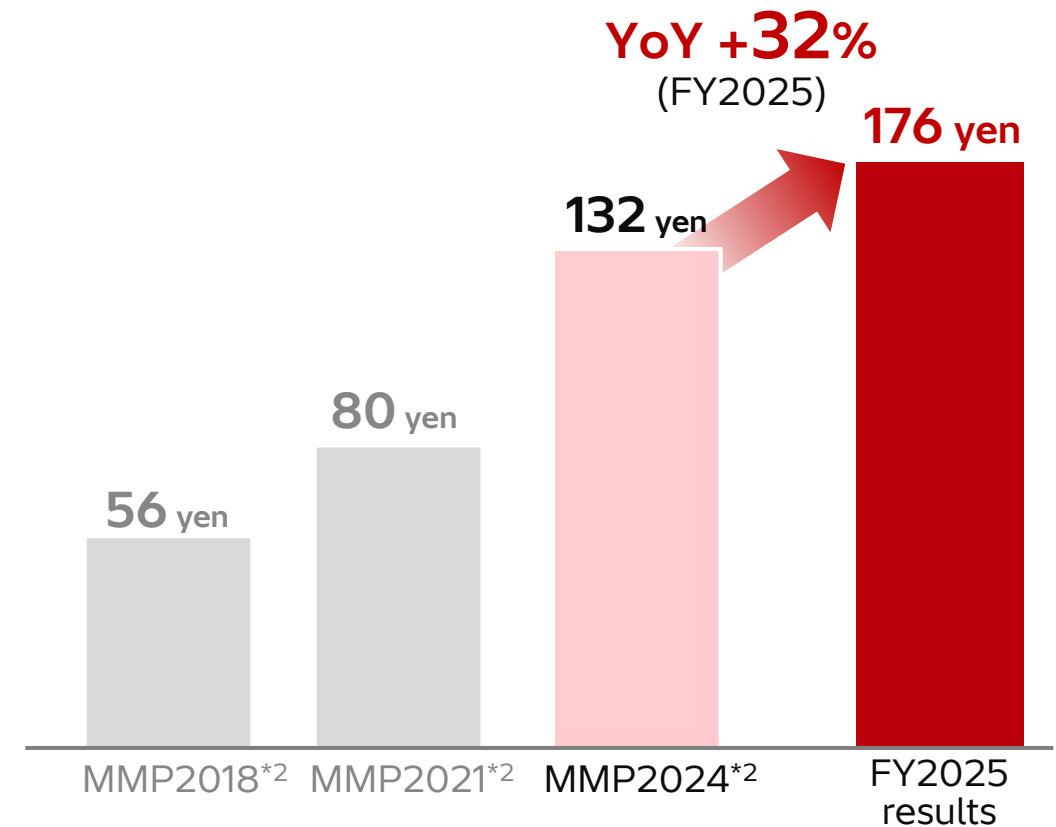
Dividends	Share buybacks
0.2 trillion yen	0.3 trillion yen + additional 0.1 trillion yen (January-April 2026)

Enhanced business profitability and stable earning base, achieving sustainable EPS growth

Adj. EBITA and conversion rate



EPS growth

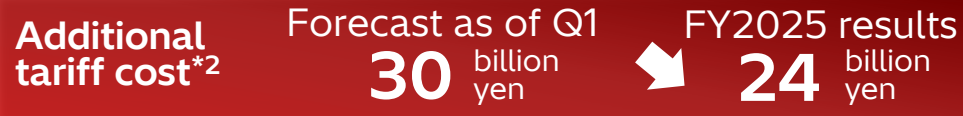


Enhancing Sustainable Management

Mitigated risks through autonomous decentralized global management in a rapidly changing business environment

Prompt response to geopolitical risks

- Minimized impact of U.S. reciprocal tariffs through rapid management decisions under ERM*1 and price pass-through measures



- Continuously strengthening resilience to cost volatility and supply disruptions through supply chain restructuring and secured alternative sourcing



- Visualization and minimization of business impact from the Middle East Crisis



Local production for local consumption

- Decided to invest over 150 billion yen in construction and expansion of transformer manufacturing factories in U.S.
- Opened lighthouse digital railcar factory in Hagerstown, Maryland, U.S. with investment of approximately 15 billion yen



Executed initiatives to develop talent and enhance employee engagement that drive sustainable growth

FY2025 results

External recognition



	FY2025 results	Inspire 2027 targets
Next-generation leaders*1	550 people	1,000 people*2
AI professional talent	39 thousand people	50 thousand people*2
Employee engagement score	73.3 points	75 points*3



- “World’s Most Ethical Companies®”^{*4} selected for two consecutive years
 Evaluated for strengthening ethical leadership, promoting compliance, and fostering a culture of integrity



- Received the “2026 Catalyst Award”
 Evaluated for positioning inclusion at the core of management and business strategy



16 *1 Number of selected candidates for the next-generation leadership talent pool *2 Target number of people to achieve in over a 3-year period
 *3 Set a basic target of 75 points and ambitious target of 80 points
 *4 “World’s Most Ethical Companies” and “Ethisphere” names and marks are registered trademarks of Ethisphere LLC.

Further accelerated management reforms to enhance corporate value

Strengthening governance

Continuously strengthening independence and diversity of the Board of Directors

- New director candidates from June 2026



Ilham Kadri

Experience and insight as CEO of global chemical company



Masahiko Chino

Experience and insights as Co-chairperson of global accounting firm



- Board composition effective from June 2026*1 (11 directors)

Ratio of independent
73%
(8 people)

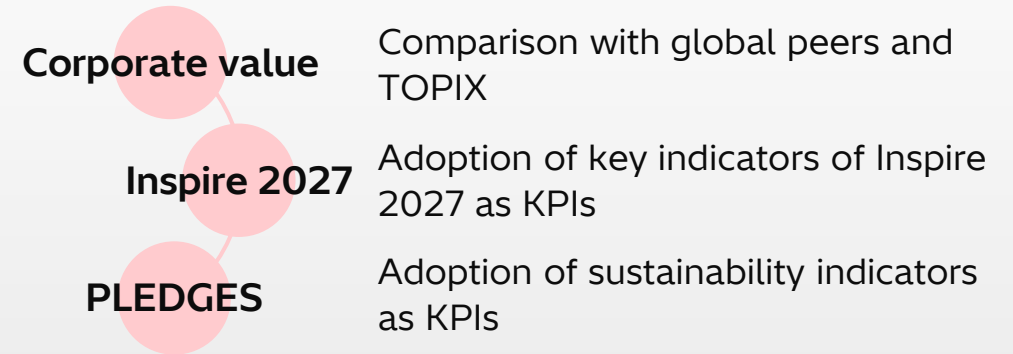
Ratio of non-Japanese
36%
(4 people)

Ratio of women
27%
(3 people)

Compensation system reform

Enhancing commitment to capital markets

- Executive compensation linked to corporate value and the achievement of management plan



- Implementation of equity compensation for employees

Number of eligible participants in FY2025*2

1,800people

Future Growth Opportunities

Rapidly expanding AI market serves as a tailwind, accelerating Hitachi's growth

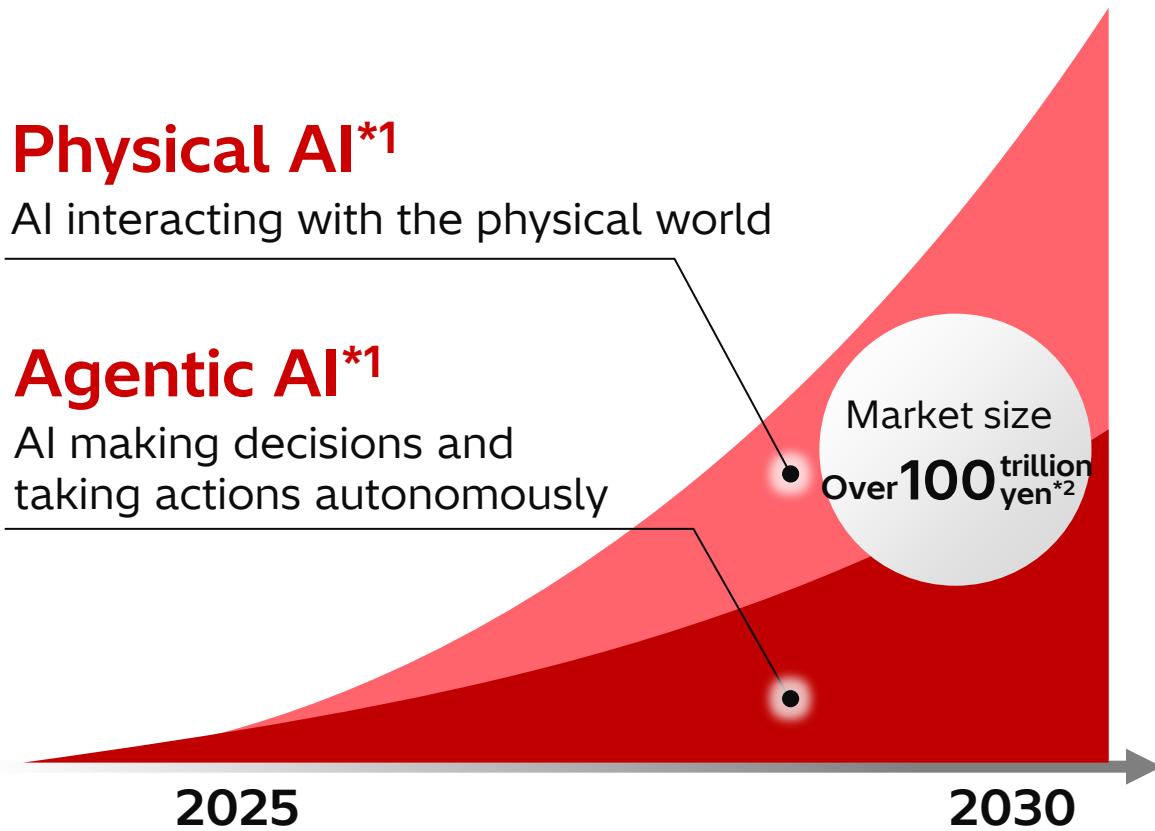
New massive growth market created by AI

Physical AI*1

AI interacting with the physical world

Agentic AI*1

AI making decisions and taking actions autonomously



Hitachi's growth driven by social infrastructure × AI

Backed by 80 years of IT business experience and partnership

Cutting-edge AI technologies

AI ecosystem



Microsoft



Google Cloud

OpenAI

Claude



NVIDIA

Based on field expertise across 190 countries

Control/operation technologies

Social infrastructure × AI

HIMAX

Cultivated through 110 years of social infrastructure development

Highly reliable products

19 *1 Quoted from "AI Business Operator Guidelines" issued by Ministry of Internal Affairs and Communications and Ministry of Economy, Trade and Industry
*2 Internal analysis based on industry reports

Expanding HMAX application cases leveraging Hitachi's unique strengths

Applied to multiple customers

Power grid stabilization

Digital twin

Real time grid control

HMAX Energy

HVDC Installed base Over 150 GW

Grid maintenance service market

15 trillion yen*1 (2035)

Applied to multiple customers

Railway operational efficiency maximization

Edge AI

Autonomous decentralized control

HMAX Mobility

Signaling installed base Over 30,000 km

Railway AI application market

3 trillion yen*1 (2030)

Proven technology

Sustained, autonomous productivity improvement

Replicating expert skills

Autonomous evolution AI

HMAX Industry

Customer zero in-house manufacturing sites 175

Frontline worker support market


10 trillion yen*1 (2030)

Developing new businesses and technologies to drive future growth


New business development

Energy solution

Deliver power effectively from the grid to servers, leading to improved electrical efficiency^{*1}



Established 800V direct current power supply architecture for data centers with NVIDIA[®]*2


NVIDIA

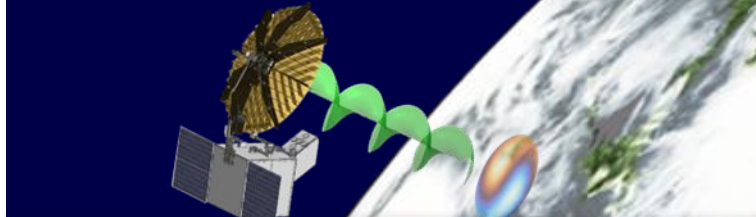
Power infrastructure market for data centers

8 trillion yen^{*3} (2030)

New technology development

Space big data utilization

Collect real-time environmental data on social infrastructure from space to transform infrastructure operation and maintenance



World's first

Principle verification of 3D measurement using structured radio waves^{*4}


Potential market

150 trillion yen^{*3} (2035)

New technology development

Silicon quantum computing

Deliver optimal solutions to previously intractable challenges through large-scale expansion of qubits



World's first

Demonstration of 2-qubit operation in two-dimensions^{*5,6}

Potential market

100 trillion yen^{*3} (2040)

21 *1 End-to-end efficiency from power grid to servers *2 "NVIDIA" and the NVIDIA logo are trademarks or registered trademarks of NVIDIA Corporation

*3 Internal analysis based on industry reports *4 Experiments in which orbital angular momentum is superimposed and rotation is controlled

*5 2-qubit operations on a 4x4 two-dimensional qubit array with shared gate *6 This research was partially supported by the JST Moonshot R & D Project (Grant No.: JPMJMS2065)

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Realizing sustainable growth through Inspire 2027 to further enhance corporate value

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	CAGR*1		Over		Revenue ratio	Adj. EBITA margin
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Hitachi Investor Day 2026

- May**
 - Physical AI Day
 - Dialogue with investors
- June**
 - Investor Day
- July**
 - Q1 Financial results
- August**
 - Dialogue with investors
- September (scheduled)**
 - Hitachi Social Innovation Forum

Hitachi Investor Day 2026

To be a global leader in continuously transforming social infrastructure through digital

- **Day/time** : Wednesday, June 10th, 2026, 3:00 p.m. -
- **Agenda** :

1. CEO Remarks	Toshiaki Tokunaga	President & CEO
2. Growth Strategies	Andreas Schierenbeck	Senior Vice President CEO of Energy Sector
	Giuseppe Marino	Senior Vice President CEO of Mobility Sector
	Noriharu Amiya	Senior Vice President CEO of Connective Industries Sector
	Jun Abe	Executive Vice President CEO of Digital Systems & Services Sector
3. CFO Session	Tomomi Kato	Senior Vice President CFO
4. Q&A Session		

HITACHI

Cautionary Statement

Certain statements found in this document may constitute “forward-looking statements” as defined in the U.S. Private Securities Litigation Reform Act of 1995. Such “forward-looking statements” reflect management’s current views with respect to certain future events and financial performance and include any statement that does not directly relate to any historical or current fact. Words such as “anticipate,” “believe,” “expect,” “estimate,” “forecast,” “intend,” “plan,” “project” and similar expressions which indicate future events and trends may identify “forward-looking statements.” Such statements are based on currently available information and are subject to various risks and uncertainties that could cause actual results to differ materially from those projected or implied in the “forward-looking statements” and from historical trends. Certain “forward-looking statements” are based upon current assumptions of future events which may not prove to be accurate. Undue reliance should not be placed on “forward-looking statements,” as such statements speak only as of the date of this report.

Factors that could cause actual results to differ materially from those projected or implied in any “forward-looking statement” and from historical trends include, but are not limited to:

- economic conditions, including consumer spending and plant and equipment investment in Hitachi’s major markets, as well as levels of demand in the major industrial sectors Hitachi serves;
- exchange rate fluctuations of the yen against other currencies in which Hitachi makes significant sales or in which Hitachi’s assets and liabilities are denominated;
- uncertainty as to Hitachi’s ability to access, or access on favorable terms, liquidity or long-term financing;
- uncertainty as to general market price levels for equity securities, declines in which may require Hitachi to write down equity securities that it holds;
- fluctuations in the price of raw materials including, without limitation, petroleum and other materials, such as copper, steel, aluminum, synthetic resins, rare metals and rare-earth minerals, or shortages of materials, parts and components;
- credit conditions of Hitachi’s customers and suppliers;
- general socioeconomic and political conditions and the regulatory and trade environment of countries where Hitachi conducts business, particularly Japan, Asia, the United States and Europe, including, without limitation, direct or indirect restrictions by other nations on imports and differences in commercial and business customs including, without limitation, contract terms and conditions and labor relations;
- uncertainty as to Hitachi’s ability to respond to tightening of regulations to prevent climate change;
- uncertainty as to Hitachi’s ability to maintain the integrity of its information systems, as well as Hitachi’s ability to protect its confidential information or that of its customers;
- uncertainty as to Hitachi’s ability to attract and retain skilled personnel;
- uncertainty as to Hitachi’s ability to continue to develop and market products that incorporate new technologies on a timely and cost-effective basis and to achieve market acceptance for such products;
- the possibility of disruption of Hitachi’s operations by natural disasters such as earthquakes and tsunamis, the spread of infectious diseases, and geopolitical and social instability such as terrorism and conflict;
- estimates, fluctuations in cost and cancellation of long-term projects for which Hitachi uses the percentage-of-completion method to recognize revenue from sales;
- increased commoditization of and intensifying price competition for products;
- fluctuations in demand of products, etc. and industry capacity;
- uncertainty as to Hitachi’s ability to implement measures to reduce the potential negative impact of fluctuations in demand of products, etc., exchange rates and/or price of raw materials or shortages of materials, parts and components;
- uncertainty as to the success of cost structure overhaul;
- uncertainty as to Hitachi’s ability to achieve the anticipated benefits of its strategy to strengthen its Social Innovation Business;
- uncertainty as to the success of acquisitions of other companies, joint ventures and strategic alliances and the possibility of incurring related expenses;
- uncertainty as to the success of restructuring efforts to improve management efficiency by divesting or otherwise exiting underperforming businesses and to strengthen competitiveness;
- the potential for significant losses on Hitachi’s investments in equity-method associates and joint ventures;
- uncertainty as to the outcome of litigation, regulatory investigations and other legal proceedings of which the Company, its subsidiaries or its equity-method associates and joint ventures have become or may become parties;
- the possibility of incurring expenses resulting from any defects in products or services of Hitachi;
- uncertainty as to Hitachi’s access to, or ability to protect, certain intellectual property; and
- uncertainty as to the accuracy of key assumptions Hitachi uses to evaluate its employee benefit-related costs.

The factors listed above are not all-inclusive and are in addition to other factors contained elsewhere in this report and in other materials published by Hitachi.

* This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.